

Group of Eight Birmingham Summit Communique

May 17, 1998

Introduction

1. We, the Heads of State or Government of eight major industrialised democracies and the President of the European Commission, met in Birmingham to discuss issues affecting people in our own and other countries. In a world of increasing globalisation we are ever more interdependent. Our challenge is to build on and sustain the process of globalisation and to ensure that its benefits are spread more widely to improve the quality of life of people everywhere. We must also ensure that our institutions and structures keep pace with the rapid technological and economic changes under way in the world.

2. Of the major challenges facing the world on the threshold of the 21st century, this Summit has focused on three:

- achieving sustainable economic growth and development throughout the world in a way which, while safeguarding the environment and promoting good governance, will enable developing countries to grow faster and reduce poverty, restore growth to emerging Asian economies, and sustain the liberalisation of trade in goods and services and of investment in a stable international economy;
- building lasting growth in our own economies in which all can participate, creating jobs and combating social exclusion;
- tackling drugs and transnational crime which threaten to sap this growth, undermine the rule of law and damage the lives of individuals in all countries of the world.

Our aim in each case has been to agree concrete actions to tackle these challenges.

Promoting sustainable growth in the global economy

3. In an interdependent world, we must work to build sustainable economic growth in all countries. Global integration is a process we have encouraged and shaped and which is producing clear benefits for people

throughout the world. We welcomed the historic decisions taken on 2 May on the establishment of European Economic and Monetary Union. We look forward to a successful EMU which contributes to the health of the world economy. The commitment in European Union countries to sound fiscal policies and continuing structural reform is key to the long-term success of EMU, and to improving the prospects for growth and employment.

4. Overall global prospects remain good. However, since we last met, the prospects have been temporarily set back by the financial crisis in Asia. We confirm our strong support for the efforts to re-establish stability and growth in the region and for the key role of the International Financial Institutions. Successful recovery in Asia will bring important benefits for us all. Therefore:

- we strongly support reforms underway in the affected countries and welcome the progress so far achieved. With full implementation of programmes agreed with the IMF we are confident that stability can be restored. The underlying factors that helped Asia achieve impressive growth in the past remain in place. Implementation of agreed policies together with the action taken by ourselves and other countries to avoid spill-over effects provide the basis for a firm recovery in the region and renewed global stability;
- we believe a key lesson from events in Asia is the importance of sound economic policy, transparency and good governance. These improve the functioning of financial markets, the quality of economic policy making and public understanding and support for sound policies, and thereby enhance confidence. It is also important to ensure that the private sector plays a timely and appropriate role in crisis resolution;
- we are conscious of the serious impact of the crisis in the region on the poor and most vulnerable. Economic and financial reform needs to be matched with actions and policies by the countries concerned to help protect these groups from the worst effects of the crisis. We welcome the support for this by

- the World Bank, the Asian Development Bank and bilateral donors and the increased emphasis on social expenditure in programmes agreed by the IMF;
- we are concerned that the difficulties could trigger short-term protectionist forces both in the region and in our own countries. Such an approach would be highly damaging to the prospects for recovery. We resolve to keep our own markets open and call on other countries to do the same. We emphasize the importance for the affected countries of continued opening of their markets to investment and trade.
5. Looking ahead to the WTO's celebration of the 50th anniversary of the founding of the GATT next week, we:
- reaffirm our strong commitment to continued trade and investment liberalisation within the multilateral framework of the WTO;
 - call on all countries to open their markets further and resist protectionism;
 - strongly support the widening of the WTO's membership in accordance with established WTO rules and practices;
 - agree to promote public support for the multilateral system by encouraging greater transparency in the WTO, as in other international organisations;
 - reaffirm our support for efforts to complete existing multilateral commitments, push forward the built-in agenda and tackle new areas in pursuing broad-based multilateral liberalisation;
 - confirm our wish to see emerging and developing economies participate fully and effectively in the multilateral trade system; commit ourselves to deliver early, tangible benefits from this participation to help generate growth and alleviate poverty in these countries; and undertake to help least developed countries by:
 - providing additional duty-free access for their goods, if necessary on an autonomous basis,
 - ensuring that rules of origin are transparent,
 - assisting efforts to promote regional integration,
 - helping their markets become more attractive and accessible to investment and capital flows.
6. The last point highlights one of the most difficult challenges the world faces: to enable the poorer developing countries, especially in Africa, develop their capacities, integrate better into the global economy and thereby benefit from the opportunities offered by globalisation. We are encouraged by the new spirit of hope and progress in Africa. The challenges are acute, but confidence that they can be overcome is growing. We commit ourselves to a real and effective partnership in support of these countries' efforts to reform, to develop, and to reach the internationally agreed goals for economic and social development, as set out in the OECD's 21st Century Strategy. We shall therefore work with them to achieve at least primary education for children everywhere, and to reduce drastically child and maternal mortality and the proportion of the world's population living in extreme poverty.
7. To help achieve these goals, we intend to implement fully the vision we set out at Lyon and Denver. We therefore pledge ourselves to a shared international effort:
- to provide effective support for the efforts of these countries to build democracy and good governance, stronger civil society and greater transparency, and to take action against corruption, for example by making every effort to ratify the OECD Anti-Bribery Convention by the end of 1998;
 - to recognise the importance of substantial levels of development assistance and to mobilise resources for development in support of reform programmes, fulfilling our responsibilities and in a spirit of burden-sharing, including negotiating a prompt and adequate replenishment of the soft loan arm of the World Bank (IDA 12) as well as providing adequate resources for the Enhanced Structural Adjustment Facility of the IMF and for the African Development Fund;
 - to work to focus existing bilateral aid and investment agency assistance in support of sound reforms, including the

development of basic social infrastructure and measures to improve trade and investment;

- to work within the OECD on a recommendation on untying aid to the least developed countries with a view to proposing a text in 1999;
- to support the speedy and determined extension of debt relief to more countries, within the terms of the Heavily Indebted Poor Countries (HIPC) initiative agreed by the International Financial Institutions (IFIs) and Paris Club. We welcome the progress achieved with six countries already declared eligible for HIPC debt relief and a further two countries likely to be declared shortly. We encourage all eligible countries to take the policy measures needed to embark on the process as soon as possible, so that all can be in the process by the year 2000. We will work with the international institutions and other creditors to ensure that when they qualify, countries get the relief they need, including interim relief measures whenever necessary, to secure a lasting exit from their debt problems. We expect the World Bank to join the future financial effort to help the African Development Bank finance its contribution to the HIPC initiative;
- to call on those countries who have not already done so to forgive aid-related bilateral debt or take comparable action for reforming least developed countries;
- to enhance mutual cooperation on infectious and parasitic diseases and support the World Health Organisation's efforts in those areas. We support the new initiative to "Roll Back Malaria" to relieve the suffering experienced by hundreds of millions of people, and significantly reduce the death rate from malaria by 2010. We will also continue our efforts to reduce the global scourge of AIDS through vaccine development, preventive programmes and appropriate therapy, and by our continued support for UNAIDS. We welcome the French proposal for a "Therapeutic Solidarity Initiative" and other proposals for the prevention and treatment of AIDS, and re-

quest our experts to examine speedily the feasibility of their implementation.

8. We see a particular need to strengthen Africa's ability to prevent and ease conflict, as highlighted in the UN Secretary General's recent report. We will look for ways to enhance the capacity of Africa-based institutions to provide training in conflict prevention and peacekeeping. We also need to consider further ways to respond to the exceptional needs of poor post-conflict countries as they rebuild their political, economic and social systems, in a manner consistent with democratic values and respect for basic human rights. In addition to immediate humanitarian assistance:

- we recognise the need for technical and financial assistance in creating strong democratic and economic institutions, supporting good governance alongside programmes of macroeconomic and structural reform supported by the IMF and World Bank. We call on the World Bank to play a strong role in coordinating bilateral and multilateral assistance in these areas;
- we also agree on the need to consider ways for debt relief mechanisms, including the HIPC initiative where appropriate, to be used to release more and earlier resources for essential rehabilitation, particularly for those countries with arrears to the IFIs.

9. A crucial factor in ensuring sustainable development and global growth is an efficient energy market. We therefore endorse the results of our Energy Ministers' Meeting in Moscow in April. We shall continue co-operation on energy matters in the G8 framework. We recognise the importance of soundly based political and economic stability in the regions of energy production and transit. With the objective of ensuring reliable, economic, safe and environmentally-sound energy supplies to meet the projected increase in demand, we commit ourselves to encourage the development of energy markets. Liberalisation and restructuring to encourage efficiency and a competitive environment should be supported by transparent and non-discriminatory national legislative

and regulatory frameworks with a view to establishing equitable treatment for both government and private sectors as well as domestic and foreign entities. These are essential to attract the new investment which our energy sectors need. We also recognise the importance of international co-operation to develop economically viable international energy transmission networks. We shall pursue this co-operation bilaterally and multilaterally, including within the framework and principles of the Energy Charter Treaty.

10. Considering the new competitive pressures on our electric power sectors, we reaffirm the commitment we made at the 1996 Moscow Summit to the safe operation of nuclear power plants and the achievement of high safety standards worldwide, and attach the greatest importance to the full implementation of the Nuclear Safety Account grant agreements. We reaffirm our commitment to the stated mission of the Nuclear Safety Working Group (NSWG). We agreed to deepen Russia's role in the activities of the NSWG, with a view to eventual full membership in the appropriate circumstances. We acknowledge successful cooperation on the pilot project of the International Thermonuclear Experimental Reactor (ITER) and consider it desirable to continue international cooperation for civil nuclear fusion development.

11. The greatest environmental threat to our future prosperity remains climate change. We confirm our determination to address it, and endorse the results of our Environment Ministers' meeting at Leeds Castle. The adoption at Kyoto of a Protocol with legally binding targets was a historic turning point in our efforts to reduce greenhouse gas emissions. We welcome the recent signature of the Protocol by some of us and confirm the intention of the rest of us to sign it within the next year, and resolve to make an urgent start on the further work that is necessary to ratify and make Kyoto a reality. To this end:

- we will each undertake domestically the steps necessary to reduce significantly greenhouse gas emissions;
- as the Kyoto protocol says, to supplement domestic actions, we will work further on flexible mechanisms such as

international market-based emissions trading, joint implementation and the clean development mechanism, and on sinks. We aim to draw up rules and principles that will ensure an enforceable, accountable, verifiable, open and transparent trading system and an effective compliance regime;

- we will work together and with others to prepare for the Buenos Aires meeting of COP4 this autumn. We will also look at ways of working with all countries to increase global participation in establishing targets to limit or reduce greenhouse gas emissions. We will aim to reach agreement as soon as possible on how the clean development mechanism can work, including how it might best draw on the experience and expertise of existing institutions, including the Global Environment Facility. We look forward to increasing participation from developing countries, which are likely to be most affected by climate change and whose share of emissions is growing. We will work together with developing countries to achieve voluntary efforts and commitments, appropriate to their national circumstances and development needs. We shall also enhance our efforts with developing countries to promote technological development and diffusion.

12. The recent devastating forest fires in south-east Asia and the Amazon, threatening not only our environment but even economic growth and political stability, illustrate the crucial importance of global cooperation, and of better and more effective frameworks and practical efforts designed to sustainably manage and conserve forests. In the year 2000 we will assess our progress on implementation of the G8 Action Programme published last week. We strongly support the ongoing work on forests under the auspices of the United Nations, and we look forward to continuing these efforts.

Growth, employability, and inclusion

13. All our people, men and women, deserve the opportunity to contribute to and share in national prosperity through work

and a decent standard of living. The challenge is how to reap the benefits of rapid technological change and economic globalisation whilst ensuring that all our citizens share in these benefits by increasing growth and job creation, and building an inclusive society. To accomplish this, we recognise the importance of modernising domestic economic and social structures within a sound macro-economic framework. To these ends we strongly endorse the seven principles agreed by the G8 Finance, Economic, Labour and Employment Ministers at their London Conference in February on "Growth, Employability and Inclusion". We also welcome the conclusions of the Kobe Jobs Conference of November 1997, with their particular focus on active aging.

14. We discussed and welcomed the Action Plans we have each produced to show how the seven principles of the London Conference are being implemented. By sharing national experiences and best practices in this area, we can improve our policies and responses. We underlined the importance of the involvement of employers and unions in securing successful implementation of these Plans.

15. The Action Plans show that individually we are all making new commitments to improve employability and job creation in our countries. In particular, we have committed ourselves to:

- measures to help young, long-term unemployed and other groups hard hit by unemployment find work;
- measures to help entrepreneurs to set up companies;
- carrying out structural reforms, including making tax and benefit systems more employment friendly and liberalisation of product markets;
- measures to promote lifelong learning.

16. Each country confirmed its determination to introduce the measures set out in its Action Plans and to pursue the concept of active aging. Measures on active aging should explore what forms of work are appropriate to the needs of older workers and adapt work to suit them accordingly.

17. These measures will help generate soundly-based and equitable growth. We are also willing to share our principles and expe-

riences, including in the relevant international institutions particularly the ILO, OECD and the IFIs, to help foster growth, jobs and inclusion not only in the G8 but throughout the world. We renew our support for global progress towards the implementation of internationally recognised core labour standards, including continued collaboration between the ILO and WTO secretariats in accordance with the conclusions of the Singapore conference and the proposal for an ILO declaration and implementation mechanism on these labour standards.

Combating drugs and international crime

18. Globalisation has been accompanied by a dramatic increase in transnational crime. This takes many forms, including trafficking in drugs and weapons; smuggling of human beings; the abuse of new technologies to steal, defraud and evade the law; and the laundering of the proceeds of crime.

19. Such crimes pose a threat not only to our citizens and their communities, through lives blighted by drugs and societies living in fear of organised crime; but also a global threat which can undermine the democratic and economic basis of societies through the investment of illegal money by international cartels, corruption, a weakening of institutions and a loss of confidence in the rule of law.

20. To fight this threat, international co-operation is indispensable. We ourselves, particularly since the Lyon summit in 1996, have sought ways to improve that cooperation. Much has already been achieved. We acknowledge the work being done in the UN, the EU and by other regional groupings. We welcome the steps undertaken by the G8 Lyon Group to implement its 40 Recommendations on transnational organised crime and the proposals G8 Justice and Interior Ministers announced at their meeting in Washington last December. By working together, our countries are helping each other catch criminals and break up cartels. But more needs to be done. There must be no safe havens either for criminals or for their money.

21. We have therefore agreed a number of further actions to tackle this threat more effectively:

- We fully support efforts to negotiate within the next two years an effective United Nations convention against transnational organised crime that will provide our law enforcement authorities with the additional tools they need.
 - We agree to implement rapidly the ten principles and ten point action plan agreed by our Ministers on high tech crime. We call for close cooperation with industry to reach agreement on a legal framework for obtaining, presenting and preserving electronic data as evidence, while maintaining appropriate privacy protection, and agreements on sharing evidence of those crimes with international partners. This will help us combat a wide range of crime, including abuse of the internet and other new technologies.
 - We welcome the FATF decision to continue and enlarge its work to combat money-laundering in partnership with regional groupings. We place special emphasis on the issues of money laundering and financial crime, including issues raised by offshore financial centres. We welcome the proposal to hold in Moscow in 1999 a Ministerial meeting on combating transnational crime. We agreed to establish Financial Intelligence Units (FIUs) where we do not already have them, in line with our national constitutions and legal systems, to collect and analyse information on those engaged in money laundering and liaise with the equivalent agencies in partner countries. We agreed on principles and the need for adequate legislation to facilitate asset confiscation from convicted criminals, including ways to help each other trace, freeze and confiscate those assets, and where possible, in accordance with national legislation, share seized assets with other nations.
 - We agree on the need to explore ways of combating official corruption arising from the large flows of criminal money.
 - We are deeply concerned by all forms of trafficking of human beings including the smuggling of migrants. We agreed to joint action to combat trafficking in women and children, including efforts to prevent such crimes, protect victims and prosecute the traffickers. We commit ourselves to develop a multidisciplinary and comprehensive strategy, including principles and an action plan for future cooperation amongst ourselves and with third countries, including countries of origin, transit and destination, to tackle this problem. We consider the future comprehensive UN organised crime convention an important instrument for this purpose.
 - We endorse joint law enforcement action against organised crime and welcome the cooperation between competent agencies in tackling criminal networks. We agree to pursue further action, particularly in dealing with major smuggling routes and targeting specific forms of financial fraud.
 - We endorse the Lyon Group's principles and action plan to combat illegal manufacturing and trafficking of firearms. We welcome its agreement to work towards the elaboration of a binding international legal instrument in the context of the UN transnational organised crime convention.
22. We urge the Lyon Group to intensify its on-going work and ask our Ministers to report back to our next Summit on progress on the action plan on high tech crime, the steps taken against money laundering and the joint action on trafficking in human beings. We also welcome the steps agreed by our Environment Ministers on 5 April to combat environmental crime.
23. There is a strong link between drugs and wider international and domestic crime. We welcome the forthcoming UNGASS on drugs. This should signal the international community's determination in favour of a comprehensive strategy to tackle all aspects of the drugs problem. For its part, the G8 is committed to partnership and shared responsibility in the international community to combat illicit drugs. This should include reinforced cooperation to curb illicit trafficking in drugs and chemical precursors, action to reduce demand in our countries, including through policies to reduce drug dependency, and support for a global approach to eradicating illicit crops. We welcome the UNDCP's

global approach to eliminating or significantly reducing illicit drug production, where appropriate through effective alternative development programmes.

Non-Proliferation and Export Controls

24. The proliferation of weapons of mass destruction and their delivery systems threatens the security of every nation. Our countries have been in the forefront of efforts to prevent proliferation, and we have worked closely together to support international non-proliferation regimes. We pledge to continue and strengthen this co-operation. As a key element of this co-operation, we reaffirm our commitment to ensure the effective implementation of export controls, in keeping with our undertakings within the non-proliferation regimes. We will deny any kind of assistance to programmes for weapons of mass destruction and their means of delivery. To this end, we will where appropriate undertake and encourage the strengthening of laws, regulations and enforcement mechanisms. We will likewise enhance amongst ourselves and with other countries our co-operation on export control, including for instance on the exchange of information. We will ask our experts to focus on strengthening export control implementation. And we will broaden awareness among our industrial and business communities of export control requirements.

Year 2000 Bug

25. The Year 2000 (or Millennium) Bug problem, deriving from the way computers deal with the change to the year 2000, presents major challenges to the international community, with vast implications, in particular in the defence, transport, telecommunications, financial services, energy and environmental sectors, and we noted the vital dependence of some sectors on others. We agreed to take further urgent action and to share information, among ourselves and with others, that will assist in preventing disruption in the near and longer term. We shall work closely with business and organisations working in those sectors, who will bear much of the responsibility to address the problem. We will work together in international organisations, such as the World Bank to assist developing countries, and the OECD, to

help solve this critical technological problem and prepare for the year 2000.

Next Summit

26. We accepted the invitation of the Chancellor of the Federal Republic of Germany to meet again next year in Köln on 18–20 June.

17 May 1998

NOTE: This communique was made available by the Office of the Press Secretary on May 17 but was not issued as a White House press release. An original was not available for verification of the content of this communique.

The President's News Conference With European Union Leaders in London, United Kingdom

May 18, 1998

Prime Minister Tony Blair. Thanks very much, ladies and gentlemen. Do sit down. I'm sorry there isn't a text yet, but you'll be provided with one shortly.

Can I, first of all, set out what I believe that we have achieved at this summit, and then ask the President of the European Commission and, finally, the President of the United States to speak to you.

As you know, there have been for some years serious differences over the U.S.'s sanctions policy and the EU's extraterritoriality. And what we established today is at least a basis for a lasting solution to these problems. We've avoided a showdown over sanctions with which we don't agree, and we've done it in a way that at least provides the chance of a solution to the problem in the future. And the President of the United States will set out the U.S. position in a moment. So there's still more work to do, but it is a real step forward.

In addition, today we have launched a major new transatlantic trade initiative, the Transatlantic Economic Partnership, which will further add momentum to the process of developing what is already the most important bilateral trade relationship in the world. We've also agreed to work ever more closely together to promote multilateral trade liberalization.